

A compliance partnership that's putting the Afghan banking industry on the map

As one of Afghanistan's leading banks, Azizi Bank is looking forward to a bright future. Its Chief Compliance Officer, Ravi Ramani Iyer, talks about how their partnership with Refinitiv is a crucial step toward the automation of compliance – and why this is paving the way for the growth of both the company and the country's banking industry in general.

A respected brand has to lead the way

Banking is at a nascent stage in Afghanistan. While Azizi Bank was founded back in 2006, industry regulation has only really tightened over the last seven or eight years. Today, we have around 1.2 million customers and nearly 80 branches. This not only makes us one of the largest banks in Afghanistan, but it is also indicative of our highly respected and established household brand name.

A robust and effective compliance process is crucial to maintaining our brand and growing our market. To do this, we needed to find an effective way to modernise our manual compliance processes, which meant digitising and automating in areas such as anti-money laundering (AML). In addition, our size and position in Afghanistan brings a lot of responsibility. We see it as our duty to set the example that will help develop and grow the country's banking sector as a whole.

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As the largest bank in Afghanistan, we want to set an example on compliance automation.

Setting the bar high for Afghanistan's banking compliance standards

Although there have been a lot of changes in the Afghanistan banking compliance landscape in the last five years, there is still a lot of work to be done to streamline processes. The landscape has moved largely in line with US and international banking standards and as the largest bank in the country, we want to set an example – by taking compliance to the next level. This is particularly important given our respected position in the domestic market, as we actively share developments on our internal procedures and policies with the rest of the Afghan banking community.

For example, Afghanistan was rated either “Non-compliant” or “Partially Compliant” by the Financial Action Task Force (FATF) until 2011 - and considered a “High Risk” jurisdiction with strategic AML/CFT deficiencies until 2012. Since then, Afghanistan's banking community has been working with Asia Pacific Group on money laundering and towards a compliance action plan. Our own AML/Compliance team led domestic banks in this mission, who all came together to implement strengthened systems and combat money laundering and terrorist financing. We are proud to say that our contribution helped get Afghanistan off of FATF's grey list in June 2017.

Now, setting a continued example means moving away from existing manual processes. We had to look to automating onboarding checks through digitization. But we needed a solution that would enable us to upgrade our processes at the right speed to ensure continuity.

We were able to integrate best practice at our own pace

Refinitiv World-Check has brought completely automated screening with no manual intervention. It has enabled us to digitize AML checks for example, by screening customers in real-time using trusted records and data sets. The result is faster client onboarding thanks to a more effective process.

Another benefit of our partnership with Refinitiv is that we have been able to still work with our existing core ICBA banking software in the short-term – before upgrading all our assessment methodologies. Their team has been willing to work at our pace. And while we continue to screen manually at the moment, our tech teams are integrating towards full automation imminently. We are now working on integrating World-Check with in-house software through APIs, and while any digital transition of this sort comes with challenges, we are pleased to say it has been good so far. The full automation of sanction screening integrated into our core banking software will result in faster and more accurate screening during customer onboarding and transaction processing. It will also minimize our conduct risk and increase transparency, ultimately helping us combat AML and Countering Financing of Terrorism (CFT) far more effectively.

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An ongoing relationship will move us closer to our vision

As the landscape continues to evolve, so we need to keep finding ways to improve. We see this moment as just the beginning of our partnership with Refinitiv. With so many things happening both geographically and politically, we have a long way to go. We will need to be ready to address the compliance challenges that arise as we look to growing our market outside of Afghanistan.

One of our central beliefs is that compliance is non-negotiable. This is driven from the top – right from the Board – and is a belief that is driving the growth of our business. With Refinitiv's assistance we will be the first in the country to digitize compliance and integrate with our own systems. We see our partnership going much further as their solutions and expertise give us comfort and help us move forward. This way we can continue to set the example and help drive the growth of Afghanistan's whole banking industry, both domestically and beyond national borders. ■

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